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Message Text

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ACTION ARA-14

INFO OCT-01 AF-10 EUR-12 IO-14 ISO-00 AGRE-00 SP-02
USIA-15 AID-05 EB-07 NSC-05 EPG-02 TRSE-00 SS-15
STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01
INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 PA-02
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R 201320Z JUL 77
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TO SECSTATE WASHDC 2844
INFO AMEMBASSY LONDON
AMEMBASSY BOGOTA
AMEMBASSY MEXICO
AMEMBASSY ABIDJAN
AMEMBASSY NAIROBI
AMEMBASSY ANTANANARIVO
USMISSION GENEVA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

UNCLAS BRASILIA 5988

E.O. 11652: N/A
TAGS: EAGR, ETRD, BR
SUBJECT: IBC PRESIDENT COMMENTS ON COFFEE PURCHASES, PRODUCTION,
AND PRICES

1. SUMMARY. IBC PRESIDENT CALAZANS REPORTEDLY HAS URGED PRIVATE BRAZILIAN COFFEE EXPORTER AND COFFEE COOPERATIVES TO JOIN INTERBRAS IN PURCHASING COFFEE IN THE WORLD MARKET TO PUT UPWARD PRESSURE ON COFFEE PRICES. HE ALSO PREDICTED THAT BRAZILIAN COFFEE EXPORTS WOULD REACH 20 MILLION BAGS BY 1982, AND SUPPORTED UD$3-3.50/LB. AS A "SATISFACTORY" COFFEE PRICE. END SUMMARY."

2. COFFEE PURCHASES: IN COMMENTS MADE JULY 16 (REPORTED IN UNCLASSIFIED

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O ESTADO DE SAO PAULO, JULY 17), IBC PRESIDENT CAMILO CALAZANS SUGGESTED THAT PRIVATE BRAZILIAN COFFEE EXPORTERS AND COFFEE COOPERATIVES HOIN INTERBRAS IN PURCHASING COFFEE IN THE WORLD MARKETS IN ORDER TO PUT UPWARD PRESSURE ON WORLD COFFEE PRICES. CALAZANS PRESENTED THIS APPEAL IN BUSINESSLKIKE TERMS, SAYING THAT THIS KIND OF OPERATION HAD PROVED PROFITABLE FOR INTER-

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BRAS. CALAZANS ALSO REMARKED THAT COFFEE PURCHASES WERE "A DEMONSTRATION OF BRAZIL'S MATURITY: BRAZIL, WHICH IS CONVINCED OF ITS IMPORTANCE IN COFFEE PRODUCTION AND EXPORTATION, NOW WANTS TO BE PRESENT IN ALL STAGES OF MARKETING."

3. PRODUCTION AND EXPORTS: CALAZANS SAID HE EXPECTED BRAZIL'S COFFEE EXPORTS FOR 1977 AND 1978 TO REACH US$3.2-3.3 BILLION. HE THOUGHT THAT IN 1979 AND 1980 COFFEE EXPORTS WOULD BE AROUND US$3 BILLION EACH YEAR, BUT THAT THIS TOTAL WOULD BE REACHED THROUGH A GREATER VOLUME OF COFFEE EXPORTED AT LOWER PRICES THAN THOSE EXPECTED TO PREVAIL IN 1977-78. CALAZANS STATED THAT BRAZIL WILL EXPORT MORE COFFEE THAN IT ORIGINALLY PLANNED IN THE NEXT YEARS IN ORDER TO COVER THE EXPECTED REDUCTION IN AFRICAN EXPORTS. HE PREDICTED THAT BRAZIL'S COFFEE PRODUCTION WOULD RISE TO AND REMAIN STABLE AT 28 MILLION BAGS PER YEAR, OF WHICH 21 TO 22 MILLION BAGS WOULD BE EXPORTED. THIS PRO-DUCTION AND EXPORT LEVEL, HE SAID, WOULD INSURE THAT BRAZIL WOULD MAINTAIN ITS ONE-THIRD SHARE OF THE WORLD COFFEE MARKET.

4. PRICES: CALAZANS REMARKED THAT COFFEE PRICES IN THE RANGE OF US$3.00-3.50 WERE "SATISFACTORY," BUT THAT PRICES ABOVE THAT LEVEL MIGHT "KILL THE GOOSE THAT
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LAID THE GOLDEN EGG."
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Enclosure: n/a
Executive Order: N/A
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Secure: OPEN
Status: NATIVE
Subject: IBC PRESIDENT COMMENTS ON COFFEE PURCHASES, PRODUCTION, AND PRICES
TAGS: EAGR, ETRD, BR
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Type: TE
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